

Message Text

CONFIDENTIAL

PAGE 01 BOGOTA 08384 191551Z

67

ACTION ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 L-03 H-03 PA-04 PRS-01 USIA-15 AGR-20 SWF-02

DRC-01 /186 W

----- 074805

R 182221Z SEP 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 4887

C O N F I D E N T I A L BOGOTA 8384

E.O. 11652: GDS

TAGS: ELAB EFIN CO

SUBJECT: LABOR AND THE TRIPARTITE COMMISSION ON WAGES AND INCOMES

REF: BOGOTA 8282

SUMMARY

UNION OF COLOMBIAN WORKERS (UTC) AND COLOMBIAN WORKERS CONFEDERATION (CTC) HAVE PUBLICLY EXPRESSED SUPPORT FOR PRESIDENT LOPEZ ANALYSIS OF THE COLOMBIAN ECONOMIC SCENE AND OUTLINE OF NECESSARY ACTIONS, WHILE THE TREDE UNION CONFEDERATION OF COLOMBIAN WORKERS HAS SOME DOUBTS PARTICULARLY ABOUT THE ROLE OF THE TRIPARTITE COMMISSION. ALL THREE CONFEDERATIONS PRESENTED POSITION PAPERS AT THE FIRST REGULAR MEETING OF THE COMMISSION ON SEPT 16, 1974. THE TONE OF THE CSTC DOCUMENT PROMPTED MINISTER OF LABOR CROVO TO CHASTISE THE ORGANIZATION FOR BEING

DISRESPECTFUL TO PRESIDENT LOPEZ. THE UTC AND CTC HAVE PRESENTED UNIFIED

VIEWS IN SEVERAL RECOMMENDATIONS, INCLUDING NEED TO STRENGTHEN THE COLLECTIVE BARGAINING PROCESS. PRIVATELY THE UTC AND CTC HAVE MISGIVINGS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BOGOTA 08384 191551Z

ABOUT THE TRIPARTITE COMMISSION, SUSPECTING THAT PRESIDENT LOPEZ WANT

S

A RUBBER-STAMP OPERATION, AND THAT THE GOC MIGHT INITIATE MEASURES WHICH WOULD INTERFERE WITH THE COLLECTIVE BARGAINING PROCESS. CTC PRESIDENT MERCADO PARTICULARLY DOUBTS LOPEZ SINCERITY CONCERNING THE LATTER'S INTENTION TO BRING ABOUT REAL CHANGES IN THE SOCIAL AND ECONOMIC STRUCTURES OF COLOMBIA.
END SUMMARY.

1. ORGANIZED LABOR'S PUBLIC REACTION TO PRESIDENT LOPEZ ANALYSIS OF THE COLOMBIAN ECONOMIC SCENE AND GENERAL OUTLINE OF NECESSARY MEASURES SEPT 14, 1974 AT THE OPENING OF THE TRIPARTIE COMMISSION (SEE REF) HAS BEEN GENERALLY FAVORABLE BUT WITH SOME RESERVATIONS. THE UNION OF COLOMBIAN WORKERS (UTC) AND THE COLOMBIAN WORKERS CONFEDERATION (CTC) ANNOUNCED TOTAL SUPPORT FOR LOPEZ ANNOUNCED INTENTION OF RESTORING REAL WAGES TO THE WORKING CLASS. HOWEVER, BOTH CONFEDERATIONS REACTED SOMEWHAT NEGATIVELY TO LOPEZ OFT-REPEATED REMARKS THAT ALL SECTORS WOULD HAVE TO MAKE SACRIFICES, CLAIMING THAT THE WORKING CLASS HAD ALREADY SACRIFICED MORE THAN ITS FAIR SHARE. THIS THEME WAS ALSO EXPRESSED BY THE TRADE UNION CONFEDERATION OF COLOMBIAN WORKERS (CSTC) WHICH CALLED FOR ACROSS THE BOARD WAGE INCREASES OF 50 PERCENT.

2. ALL THREE CONFEDERATIONS PRESENTED DOCUMENTS AT THE FIRST FORMAL SESSION OF THE COMMISSION, SEPT 16. THE CSTC EXPRESSED DOUBTS ABOUT THE OBJECTIVES OF THE COMMISSION, AND STATED THAT ITS ATTENDANCE AT FUTURE SESSIONS WOULD DEPEND ON THE DIRECTION THE COMMISSION GOES. WHILE THE CSTC PROPOSED SOME GENERAL INITIATIVES, E.G., A GENERAL PRICE FREEZE ON MANY CONSUMER PRODUCTS, RENTS, AND EDUCATION FEES, AND GOC ENCOURAGEMENT OF COOPERATIVES, THE CENTRAL STATED THAT IT HAD NOT HAD TIME TO PREPARE A MORE SPECIFIC POSITION, WHICH WOULD BE PRESENTED AT A LATER DATE. THE CSTC ALSO TOOK A SWIPE AT THE LEADERS OF THE UTC AND CTC AND DENOUNCED THE DIVISIVENESS IN THE LABOR MOVEMENT "FINANCED BY POWERFUL BUSINESSMEN AND NORTH AMERICAN INSTITUTIONS (READ AIFLD)". THE TONE OF THE DOCUMENT WAS CONSIDERED BY MINISTER OF LABOR DE CROVO TO BE SOMEWHAT HOSTILE TOWARDS PRESIDENT LOPEZ, WHICH PROMPTED HER TO DEMAND MORE RESPECT FROM THE CONFEDERATION HENCEFORTH.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BOGOTA 08384 191551Z

3. THE UTC AND CTC CONSULTED WITH EACH OTHER ON THEIR RESPECTIVE DOCUMENTS, AND PRESENTED UNIFIED VIEWS IN MANY RESPECTS. BOTH AGREED THAT THE COMMISSION SHOULD ESTABLISH GUIDELINES FOR WAGE INCREASES, BUT THAT WHERE A FACTORY OR INDUSTRY IS ORGANIZED, THE SPECIFIC AMOUNT OF WAGE INCREASES SHOULD BE LEFT TO THE COLLECTIVE BARGAINING PROCESS. THEY THOUGHT THE COMMISSION SHOULD RECOMMEND MEASURES TO STIMULATE INDUSTRY-WIDE NEGOTIATIONS, A PROVISION ALREADY ESTABLISHED

IN THE COLOMBIAN LABOR CODE. BOTH AGREED THAT THE SUPERINTENDENCE OF PRICES SHOULD BE REORGANIZED TO BETTER ENFORCE PRICE CONTROLS AND ALSO TO INCLUDE A QUALITY CONTROL DIVISION TO PROTECT THE CONSUMER. FINALLY, THE TWO CENTRALS RECOMMENDED THE STIMULATION OF COOPERATIVES AND COMMUNITY ENTERPRISES IN BOTH URBAN AND RURAL AREAS.

4. THE UTC PROPOSED THAT THE COMMISSION RECOMMEND VARYING CREDIT RATES BY REGION, AND WITH CERTAIN PERCENTAGES OF EXISTING CREDIT LINES AUTHORIZED FOR VARIOUS REGIONS, WITH THE GREATEST AMOUNT GOING TO THE MOST NEEDY AREAS OF THE COUNTRY. THE UTC CALLED FOR STATE INTERVENTION IN THE BANKING INDUSTRY TO CONTROL USURIOUS INTEREST RATES, AND TAX REFORM MEASURES WHICH WOULD STIMULATE INVESTMENTS IN INTERMEDIATE CITIES.

5. THE CTC CALLED FOR THE CREATION OF A NATIONAL AGARIAN DEVELOPMENT FUND FOR COMMUNITY ENTERPRISES AND CREDITS TO SMALL FARMERS, FUNDED FROM SUBSIDIES NOW RECEIVED BY THE TRANSPORT INDUSTRY.

6. MOST OF THESE PROPOSALS ARE IN LINE WITH THEMES EXPRESSED BY LOPEZ DURING AND SINCE THE ELECTION CAMPAIGN OF LAST APRIL. THE COMMISSION WILL NOT RECONVENE FOR SEVERAL DAYS WHILE THE GOC STUDIES THE PROPOSALS AND THOSE OF THE BUSINESS SECTOR.

7. UTC AND CTC LEADERS HAVE TOLD THE EMBASSY THAT THEY HAVE MISGIVINGS ABOUT THE WORK OF THE TRIPARTITE COMMISSION, WHICH THEY BELIEVE LOPEZ EXPECTS TO BE A RUBBER-STAMP OPERATION. THEY DO NOT BELIEVE THEY CAN SUPPORT ANY MOVE BY LOPEZ WHICH INTERFERES WITH COLLECTIVE BARGAINING SINCE TO DO SO WOULD DAMAGE THEIR OWN ROLE AS SPOKESMEN FOR THE WORKING CLASS. FOR THIS REASON, BOTH CONFEDERATIONS DENOUNCED LOPEZ ANNOUNCEMENT OF A MINIMUM WAGE INCREASE, EFFECTIVE JAN 1, 1975 (SEE REF) AS INOPPORTUNE. THE UTC EVEN WENT FURTHER BY SUGGESTING THAT LOPEZ ACTION MAY HAVE BEEN UNCONSTITUTIONAL, SINCE MINIMUM WAGES ARE

CONFIDENTIAL

PAGE 04 BOGOTA 08384 191551Z

NORMALLY ESTABLISHED BY THE NATIONAL SALARY COUNCIL. FURTHERMORE, LEADERS OF BOTH ORGANIZATIONS ARE WARY OF PARTICIPATING IN AN INSTITUTION WHICH MAY RECOMMEND MEASURES UNFAVORABLE, AT LEAST IN THE SHORT RUN, TO THE WORKING CLASS. FINALLY, AT LEAST FROM THE VIEWPOINT OF CTC PRESIDENT MERCADO, THE ENTIRE LABOR MOVEMENT IS HIGHLY SUSPICIOUS OF LOPEZ MOTIVES. AFTER ALL, MERCADO TOLD THE EMBASSY, LOPEZ IS AN OLIGARCH IN SPITE OF ALL HIS ORATORY TO THE CONTRARY, AND THEREFORE HIGHLY UNLIKELY TO HAVE ANY REAL INTENTIONS OF BRINGING ABOUT FUNDAMENTAL CHANGES IN THE SOCIAL AND ECONOMIC STRUCTURES OF COLOMBIA.

VAKY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, LABOR RELATIONS, SPEECHES, AMALGAMATED UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BOGOTA08384
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740263-0770
From: BOGOTA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740937/aaaabesk.tel
Line Count: 166
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: BOGOTA 8282
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by boyleja>; APPROVED <03 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LABOR AND THE TRIPARTITE COMMISSION ON WAGES AND INCOMES
TAGS: ELAB, EFIN, CO, UTC, CTC, (LOPEZ MICHELSEN, ALFONSO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005